

CITY OF FRANKLIN

DEBT SERVICE FUND

The Debt Service Fund of the City is used to account for the payment of debt service on all general obligation debt with the exception of debt issued for water utility enterprise fund purposes which is paid by the utility. Payments on general obligation debt issued for general government purposes are funded by the following sources:

- Property tax levy for general City projects (for example, City facilities, such as the Police Facility or the Library Facility, or non-assessable projects)
- Special assessment collections, for public improvement projects financed with general obligation debt where the property owner is assessed the pro-rata share of the project cost in accordance with City policy and ordinance and state statutes.
Impact fees collected for the purpose of paying toward new facilities after those new facilities have been completed.

Over the last decade, the City's outstanding general obligation debt level has fluctuated from a low of \$13,715,000 at December 31, 1991 to a high of \$33,510,000 at December 31, 2001. Historically, the City has planned to issue debt every other year. The 2001 issuance of debt in the amount of \$10,000,000 was to fund the construction cost of a new library facility, a new fire station, and several City funded public improvement projects. No general obligation debt will be issued during the 2004 year. The City used internal borrowing to meet the Capital Improvement Fund needs in 2003. In 2004, if borrowing is necessary, the City will look first to internal borrowing to meet its borrowing needs. By doing so, the City avoids bond issuance costs and the lending fund receives more interest than it could generate in today's investment climate.

Future debt issuances will be made to pay for public improvement projects as growth occurs in the community which will add to the City's debt load; however, any new debt for projects presently contemplated by public improvement projects will be offset by amortization of debt currently outstanding.

The City has budgeted to repay early the balance (\$1,750,000) of the 1996 GO debt offering in 2004, the first year that an early payment can be made on this issue.

As shown on the accompanying Schedule of Debt Maturities, the City has general obligation debt outstanding at December 31, 2003 of \$28,800,000. This represents approximately 26% of the City's legal debt limit as per Wisconsin Statutes (5% of equalized property value). With the growth of the City over the past decade, the ratio of general obligation debt to assessed value has ranged from 1.95% in 1992 to 1.18% in 1997. The general obligation debt to assessed value at December 31, 2003 is 1.44%.

In addition to the general obligation debt, the Community Development Authority of the City of Franklin has also issued redevelopment lease revenue bonds. These bonds are not general obligations of the City, but are secured by a lease on the City's Business Park and a potential revenue obligation of the City. The primary source of repayment for the revenue obligation and the lease revenue bonds is property tax increment generated by the City's Tax Incremental Financing District No. 2, which comprises the Business Park.

CITY OF FRANKLIN 2004 BUDGET		2001 Actual	2002 Actual	2003 Adopted	2003 Amended	2003 Estimate	2004 Dept/Request	2004 Request	2004 Adopted	Percent Change
DEBT SERVICE FUND										
REVENUE										
GENERAL PROPERTY TAX	31.0000.4011	\$2,212,867	\$2,810,109	\$2,610,624	\$2,610,624	\$2,610,624	\$2,510,211	\$2,510,211	\$2,410,211	
INTEREST ON INVESTMENTS	31.0000.4711	58,913	0	0	0	0	0	0	0	
MISCELLANEOUS INCOME	31.0000.4799					100,000	0	0	0	
LANDFILL OPERATIONS-DIRECT	31.0000.4492		0	120,000	120,000	121,331	247,500	247,500	247,500	
LANDFILL OPERATIONS-SEPARATE	31.0000.4493		0	8,800	8,800	9,003	18,300	18,300	18,300	
LANDFILL OPERATIONS-FLAT	31.0000.4494		0	27,000	27,000	27,288	55,600	55,600	55,600	
LANDFILL OPERATIONS-TIPPAGE	31.0000.4495		0	44,200	44,200	50,636	103,100	103,100	103,100	
TRANSFER FROM IMPACT FEES	31.0000.4839		374,195	392,500	392,500	392,500	430,500	430,500	430,500	
TRANSFER FROM CAPITAL PROJECTS	31.0000.4837	522,120	0	0	0	0	0	0	0	
TRANSFER FROM SPECIAL ASSESSME	31.0000.4835	1,599,138	384,992	980,000	980,000	980,000	1,875,242	1,875,242	1,875,242	
DEBT SERVICE FUND REVENUE		\$4,393,038	\$3,569,296	\$4,183,124	\$4,183,124	\$4,291,382	\$5,240,453	\$5,240,453	\$5,140,453	22.9%
REFUNDED DEBT PROCEEDS	31.0000.4911	10,000,000	0	0	0	0	0	0	0	
TOTAL REVENUE AND OTHER FUNDING SOURCES		\$14,393,038	\$3,569,296	\$4,183,124	\$4,183,124	\$4,291,382	\$5,240,453	\$5,240,453	\$5,140,453	
EXPENDITURES										
G.O. 3800-92										
PRINCIPAL	31.000.8180.5611	1,000,000	0	0	0	0	0	0	0	
INTEREST	31.000.8180.5621	27,525	0	0	0	0	0	0	0	
TOTAL 1992 BORROWING		1,027,525	0	0	0	0	0	0	0	
G.O. 5040-94										
PRINCIPAL	31.000.8185.5611	125,000	250,000	0	0	0	0	0	0	
INTEREST	31.000.8185.5621	13,688	5,531	0	0	0	0	0	0	
TOTAL 1994 BORROWING		138,688	255,531	0	0	0	0	0	0	
G.O. 2800-95										
PRINCIPAL	31.000.8186.5611	150,000	150,000	510,000	510,000	510,000	0	0	0	
INTEREST	31.000.8186.5621	40,180	32,118	14,033	14,033	14,033	0	0	0	
TOTAL 1995 BORROWING		190,180	182,118	524,033	524,033	524,033	0	0	0	-100.0%
G.O. 3250-96										
PRINCIPAL	31.000.8187.5611	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
INTEREST	31.000.8187.5621	99,600	85,800	71,700	71,700	71,700	57,300	57,300	57,300	
TOTAL 1996 REFUNDING		399,600	385,800	371,700	371,700	371,700	357,300	357,300	357,300	-3.9%
G.O. 5475-96										
PRINCIPAL	31.000.8188.5611	525,000	425,000	850,000	850,000	850,000	2,600,000	2,600,000	2,600,000	
INTEREST	31.000.8188.5621	213,638	189,488	169,512	169,512	169,512	128,713	128,713	128,713	
TOTAL 1996 BORROWING		738,638	614,488	1,019,512	1,019,512	1,019,512	2,728,713	2,728,713	2,728,713	167.6%
G.O. 7850-99										
PRINCIPAL	31.000.8189.5611	700,000	600,000	625,000	625,000	625,000	700,000	700,000	700,000	
INTEREST	31.000.8189.5621	300,713	276,362	252,775	252,775	252,775	226,588	226,588	226,588	
TOTAL 1999 BORROWING		1,000,713	876,362	877,775	877,775	877,775	926,588	926,588	926,588	5.6%
B. A. N. 10000-00										
INTEREST	31.000.8015.5621	456,528	0			0	37,500	37,500	37,500	
G.O. 10000-01										
PRINCIPAL	31.000.8021.5611	0	25,000	50,000	50,000	50,000	50,000	50,000	50,000	
INTEREST	31.000.8021.5621	184,935	488,998	487,385	487,385	487,385	485,235	485,235	485,235	
TOTAL 2001 REFUNDING		184,935	513,998	537,385	537,385	537,385	535,235	535,235	535,235	
G.O. 10000-01										
PRINCIPAL	31.000.8025.5611	0	300,000	325,000	325,000	325,000	350,000	350,000	350,000	
INTEREST	31.000.8025.5621	131,727	441,000	427,719	427,719	427,719	413,375	413,375	413,375	
TOTAL 2001 BORROWING		131,727	741,000	752,719	752,719	752,719	763,375	763,375	763,375	
DEBT SERVICE PRINCIPAL & INTEREST		4,268,533	3,569,296	4,083,124	4,083,124	4,083,124	5,348,711	5,348,711	5,348,711	31.0%
UNCLASSIFIED EXPENSES										
BOND ISSUE COSTS	31.998.0000.5601	124,505	0	0	0					
PRINCIPAL PAID IN REFUNDING	31.998.0000.5611	10,000,000	0	0	0		0	0	0	
TOTAL OTHER COSTS		10,124,505	0	0	0	0	0	0	0	
TOTAL DEBT SERVICE FUND		14,393,038	3,569,296	4,083,124	4,083,124	4,083,124	5,348,711	5,348,711	5,348,711	31.0%
EXCESS OF REVENUE OVER EXPENDITURES		0	0	100,000	100,000	208,258	-108,258	-108,258	-208,258	
FUND BALANCE, BEGINNING OF PERIOD		0	0	0	0	0	208,258	208,258	208,258	
FUND BALANCE, END OF PERIOD		0	0	100,000	100,000	208,258	100,000	100,000	0	

City of Franklin
General Obligation Debt Maturities

Pays off the 1996 improvements debt issue in 2004 and issues additional debt of \$1,500,000 in 2005 and 2006, 2008, 2010 and 2012

Borrowing Date	Purpose of borrowing, amount, interest rate	Payment Dates	Balance 12/31/2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
09/01/96	Capital improvements												
	PRINCIPAL \$5,475,000	9/1	\$2,600,000	2,600,000									
	INTEREST 4.0 - 5.0%	3/1, 9/1		128,713									
09/01/96	Advance refunding												
	PRINCIPAL \$3,250,000	9/1	\$1,150,000	300,000	300,000	300,000	250,000						
	INTEREST 4.0 - 5.1%	3/1, 9/1		57,300	42,600	27,750	12,750						
05/01/99	Capital improvements												
	PRINCIPAL \$7,850,000	5/1	\$5,750,000	700,000	725,000	950,000	1,125,000	1,125,000	1,125,000				
	INTEREST 3.5 - 4.3%	5/1, 11/1		226,588	197,725	163,150	119,813	72,281	24,188				
04/15/01	Current refunding												
	PRINCIPAL \$10,000,000	3/1	\$9,925,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	105,000	400,000	420,000
	INTEREST 4.3 - 5.4%	3/1, 9/1		485,235	483,085	480,935	478,785	476,635	474,485	472,285	468,798		
05/15/01	Capital improvements												
	PRINCIPAL \$10,000,000	3/1	\$9,375,000	350,000	275,000	300,000	1,125,000	1,450,000	1,475,000	2,175,000	2,225,000		
	INTEREST 4.25 - 4.6%	3/1, 9/1		413,375	400,094	387,800	356,600	299,225	233,413	151,288	51,175		
2005	PRINCIPAL	3/1				50,000	50,000	50,000	50,000	100,000	100,000	200,000	300,000
	INTEREST	3/1, 9/1			37,500	73,750	71,950	70,125	68,225	65,000	60,350	53,000	43,100
2006	PRINCIPAL	3/1					50,000	50,000	50,000	50,000	100,000	200,000	250,000
	INTEREST	3/1, 9/1				37,500	73,750	71,950	70,125	68,225	65,000	60,350	53,000
2008	PRINCIPAL	3/1							50,000	50,000	50,000	200,000	200,000
	INTEREST	3/1, 9/1						37,500	73,750	71,950	70,125	68,225	65,000
2010	PRINCIPAL	3/1									50,000	250,000	150,000
	INTEREST	3/1, 9/1								37,500	73,750	71,950	70,125
2012	PRINCIPAL	3/1											150,000
	INTEREST	3/1, 9/1										37,500	73,750
												300,000	200,000
Population 30,749	DEBT SERVICE TOTALS	Per Capita 1,122	\$28,800,000	\$5,311,211	\$2,511,004	\$2,820,885	\$3,763,648	\$3,752,716	\$3,744,185	\$3,291,248	\$3,419,198	\$1,841,025	\$1,974,975
	Less: Water utility portion		0	0	0								
	Sub total	1,023	28,800,000	5,311,211	2,511,004	2,820,885	3,763,648	3,752,716	3,744,185	3,291,248	3,419,198	1,841,025	1,974,975
	Less:												
	Transfer from Impact Fees - Police		(4,274,000)	(243,000)		(243,000)	(486,000)	(243,000)	(243,000)	(243,000)	(243,000)	(143,000)	(243,000)
	Transfer from Impact Fees - Fire		(855,000)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)	(47,500)
	Transfer from Impact Fees - Library		(2,520,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
	Use of Land Fill Siting Revenue		(2,425,000)	(325,000)			(500,000)	(400,000)	(400,000)	(400,000)	(400,000)		
	Use of Waste Mgt IDR proceeds			(100,000)									
	Estimated special assessments		(5,348,500)	(2,045,500)	0	(80,000)	(380,000)	(712,000)	(703,000)	(250,000)	(478,000)	0	
	NET TAX LEVY IMPACT	85		\$2,410,211	\$2,323,504	\$2,310,385	\$2,210,148	\$2,210,216	\$2,210,685	\$2,210,748	\$2,110,698	\$1,510,525	\$1,544,475